

TSAC Update

Helping Students Achieve Their Goals Since 1974

July 2006

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Message from the Executive Director



Isn't it funny how people outside of higher education always seem to think that things slow down for us in the summer? Not so! When the General Assembly adjourns in the spring, it usually means a busy summer for the campuses and TSAC. On the campuses, many of you are working long hours to re-award students whose lottery scholarships were increased. And TSAC staff are scurrying to develop rules for several new programs to help nurses and math/science teachers attend graduate school.

We are all grateful to the General Assembly and the Governor for a \$2.1 million increase in our 2006-07 Tennessee Student Assistance Award appropriation. This increase should make it possible for us to serve all eligible students whose FAFSAs were received by March 1, 2006. Even so, available funds fall far short of the need, and a blue-ribbon taskforce has been appointed to review the TSAA program and to recommend changes to be considered by the TSAC board.

I am very proud of the progress that has been made at TSAC over the last year. We have survived reorganization, and our management team is nearly complete.

Background material for our TSAC board meetings has been professionally prepared, and our board members have been well-informed and engaged. Senior TSAC staff conducted day-long financial aid training sessions in six cities across the state, taking the material to the conferees rather than expecting them to come to Nashville. Tennessee's first-ever College Goal Sunday was successful beyond anyone's dreams. Darolyn Porter has breathed new life into the High School Counselor-Internship program. Naomi Derryberry and Robert Biggers have responded to your computer systems suggestions by leading the charge on a number of e*GRandS improvements. Tom Bain built relationships with legislators and their staffs, and successfully advanced a bill to enable improvements in the TSAA program. Mason Ball and Dan Lee got us through our audit with no findings. Levis Hughes and Stephanie Aylor are finding ways for TSAC to work with campuses on a number of default prevention initiatives. And Jeri Fields has reworked our Call Center so that student telephone calls are again answered by people, rather than machines.

As exciting as this year has been, there is more in store for 2006-07. Our emphasis in 2006-07 will be on outreach and communication. You will soon see a network of regional TSAC outreach offices located across the state, so that outreach specialists can live and work in your communities. These specialists will spend a lot less time driving to and from Nashville, and a lot more time serving you and your students. As we implement new programs, TSAC

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will meet frequently with TASFAA's Advisory Committee. The TSAC Update you are now reading will become a monthly newsletter. The quality of our publications will improve, and our website will be more useful and attractive.

So hang on tight! With your help, we made a lot of progress in 2005-06. And with your continued support, there will be much more of the same in 2006-07.

Bob Ruble

Compliance Division Update

TSAC training for new financial aid staff is scheduled for Aug. 1, 2006. The sessions for the day include 2007-08 FAFSA overview and changes, verification process, student eligibility, state grants and scholarships and lottery scholarship updates. A new addition to the workshop is the inclusion of e*GRandS training as the last session of the day.

The training will be given at TSAC's Nashville office at 404 James Robertson Parkway. Refreshments will be served from 8:30 a.m. to 9:00 a.m. The training session will start at 9:00 a.m. The state grants and scholarships and Lottery sessions will start at 1:00 p.m. Lunch will be provided.

Seating is limited. Please R.S.V.P. your plans to attend the workshop to Darolyn Porter or Karen Myers. The deadline for reserving your space is July 25, 2006. Darolyn can be reached at (800) 291-2675 ext. 116, direct line (615) 253-7472, or by email to Darolyn.Porter@state.tn.us. Karen can be reached at (800) 291-2675 ext. 134, direct line (615) 253-7444 or by email to Karen.Myers@state.tn.us.

TSAA Funding Increased

TSAC is pleased to announce that TSAA received an additional \$2.1 million in state funding and \$1.3 million in federal funding from LEAP and SLEAP for the 2006-2007 academic year. The funding from both these sources allowed us to honor corrections,

revisions and transfers for applications that were received by March 1. Those recalculations have now been made and you should see the results in your reports. For 2005-06 TSAC awarded over \$38 million to 18,713 students at year end.

TSAC's New Program

The Tennessee General Assembly passed legislation creating a new Professional Nursing Loan-Scholarship Program. This scholarship is for Tennessee residents that are candidates for a master in nursing degree or students with a master's degree in nursing who pursue a doctoral degree in

nursing that would qualify the person to become a teacher, administrator or supervisor in nursing in Tennessee. We are still in the rule development process prior to program implementation. As additional information becomes available, both potential applicants and schools will be notified.

Communication Services Division Ramping Up for a Busy Year

So many changes; so little time! The Communication Services Division has hit the ground running with new initiatives that will reach a wider audience with a message of college access, financial planning and preparing, and default prevention. Focus will be given to new audiences including traditionally underserved populations, middle-school students, and non-traditional students. The creation of regional offices is underway in an effort to create a strong grassroots effort across the state for outreach initiatives. Once finalized, we'll give you the details of their whereabouts and release updates as to the new endeavors the Outreach Specialists are taking on in your area.

As you can see, the TSAC Update has been revitalized in an effort to provide the most current and pertinent information available. Updating of all publications, promotional materials, website, etc. is underway to

reflect the new legislative changes in preparation for a very busy fall travel schedule. If you have events, presentations, etc. that you would like our Outreach Specialists to attend, please contact Courtney Dillard, our newly appointed Director of Outreach, to reserve a spot on the calendar, as space is filling up fast.

As stated earlier in this edition, the Communication Services Division has some new talent in the ranks. Jen Jackson, a graduate of MTSU, has already shown us great things with her revamping of the TSAC Update. Great things are expected from Jen. Patsy Majors and Janise Powell, the newest additions to the newly formatted TSAC Call Center, bring both enthusiasm and years of experience in reception, data entry and bookkeeping. Both Patsy and Janise enjoy working with the public and feel their new roles will continue to provide them with rewarding experiences.

As you can see, it's only the beginning of a very busy new school year for us. With new initiatives, new employees, and a revitalized image, TSAC expects to improve current services and create new invigorating and innovative ways to serve you!

Any ideas, thoughts, concerns, etc. about outreach and marketing in your area and how we can serve you and your students better are welcomed. Please feel free to contact Jeri Fields at Jeri.Fields@state.tn.us or (615) 253-7452 to share your ideas.

TSAC 2006 General Assembly Legislative Report

Senate Bill 447

Eliminates the current nursing loan-scholarship program and establishes a new loan-scholarship program for advanced nursing degree seeking students, with the amount not to exceed the cost of attendance. For each year of continuous full-time teaching service in a Tennessee nursing school, the student receives a 25% credit towards the loan-scholarship amount. TSAC may receive contributions for funding the program from outside sources. TSAC, in conjunction with the Tennessee board of nursing, is authorized to promulgate rules for program management.

Senate Bill 2683

Changes the basic HOPE scholarship amounts from \$3,300 to \$3,800 at eligible four year postsecondary institutions, from \$1,650 to \$1,900 at eligible two year postsecondary institutions and Wilder-Naifeh from \$1,300 to \$1,500 at eligible technology centers. It also makes certain students who are Tennessee citizens and dependent children of religious workers serving outside the United States and certain students graduating from accredited high schools in a contiguous out-of-state county eligible for a Tennessee HOPE scholarship.

Senate Bill 2724

Establishes Tennessee HOPE teacher's scholarships as part of the system of lottery funded scholarships. Teachers eligible for the scholarship must be seeking an advanced degree in math or a science or certification to teach math or science. The teachers' scholarships are \$2,000 per year up to a maximum award of \$10,000 per recipient for all years. Recipients must agree to teach math or science in a Tennessee public school system two years for each year of scholarship funding received and awards must be repaid by each recipient to the extent that such obligation is not met.

Senate Bill 2981

Permits students who are initially eligible for a Tennessee HOPE scholarship but who instead obtain a Wilder-Naifeh technical skills grant, to be eligible for a HOPE scholarship at either an eligible two-year or four-year institution. The student must apply for a HOPE scholarship within three years of the diploma program. Additionally, hours taken by a student at a Tennessee technology center towards a diploma before receiving a Tennessee HOPE scholarship, a General Assembly Merit Scholarship or a Tennessee HOPE access grant do not count under the provisions of Section 49-4-913 or 49-4-920 as semester hours attempted for purposes of calculating the number of semester hours for which a student may receive one of the HOPE scholarships.

Senate Bill 3149

Makes provision for the communication of lottery scholarship information to high school students and their parents by both TSAC and local high schools in Tennessee. The bill actually makes the Lottery Scholarship Day by TSAC permissive instead of mandatory but requires each high school to conduct at least one lottery scholarship day and workshops on completing college admissions and financial aid applications for 10th through 12th grade students and their parents. TSAC is required to provide the same types of information that current law has required (i.e., lottery scholarship eligibility requirements, information relative to postsecondary institutions admission standards and scholarship eligibility, computation of grade point averages for purposes of lottery scholarship availability and information relative to the ACT and SAT). TSAC must provide such information at its lottery scholarship day, if it conducts one, and must provide a summary of the information it prepares to the department of education for dissemination to schools conducting lottery scholarship days. Administrative costs incurred by the department of education and TSAC are funded from the lottery for education account.

House Bill 2809

Allows students attending private, as well as public, postsecondary institutions to obtain Tennessee HOPE foster child tuition grants.

House Bill 2880

Requires the department of labor and workforce development to work with the department of finance and administration, the department of health and the department of education to establish a two-year pilot program to encourage individuals on the TennCare program to utilize existing educational grants, including Wilder-Naifeh technical skills grants, in an effort to train individuals in needed healthcare related fields.

House Bill 3047

Amends various provisions in current law relative to the Tennessee student assistance award. The bill: (1) eliminates the statute which prohibited proration or reduction of TSAA awards by TSAC; (2) requires that TSAA awards be paid directly to the college or university for students at private postsecondary institutions, similar to the current statutory payment process of awards for students at public postsecondary institutions; (3) deletes reference to the obsolete SSIG (federal state student incentive grant program) in the context of computing the maximum TSAA award; and (4) permits payments of TSAA awards to be transmitted by TSAC to other college or university designated officials besides financial aid directors.

GRAD PLUS is ready, TSAC is ready, Are You?

TSAC was ready for processing Grad PLUS Loans on July 1, 2006. TSAC is also be able to offer an exception processing for Grad PLUS loans in cases where the school based software is not ready for Grad PLUS loans. On July 1, 2006, one of TSAC's participating schools certified 17 Grad PLUS loans.

TSAC's e*CLIPS was updated with the following changes:

- References to PLUS MPN will be changed to Federal PLUS.
- Users will have the ability to certify Graduate/Professional PLUS loans via the Batch Loans process or Quickview. A graduate grade level will be required and student information will not be required.
- Users will have the ability to search on the new Graduate/Professional PLUS loan type.
- The new application type of Graduate/Professional PLUS will be added to the reporting and forms features.
- The term Guarantee Fee will be removed from e*CLIPS and Clipslink.
- The term Federal Default Fee will be added to e*CLIPS and Clipslink.
- The Military Operations deferment will be added to the deferment options transaction.

TSAC was ready on July 1, 2006 to process Graduate/Professional PLUS loans per the CommonLine compliant standards that require new fields where the loan type will be "GB" and the form code will be "G." TSAC will also be able to provide a solution for trading partners that are not ready to process Graduate/Professional PLUS loans per the CommonLine standards. The loan may be submitted as a regular PLUS loan, but it will be processed as a Graduate/Professional PLUS loan if the loan is submitted using any of the following scenarios:

Scenario 1:

PLUS loan (loan type "PL" and form code "Q") that has a Graduate/Professional grade level (A-D) where the borrower information is populated and the student information matches the borrower information or the student information is blank.

TSAC would populate the student information fields with the borrower information, process this loan as a Graduate/Professional PLUS loan, and return the response record with the PLUS fields as they were received, but would forward the response record to the trading partner as a CommonLine compliant Graduate/Professional PLUS loan.

Scenario 2:

PLUS loan (loan type "PL") where the form code is set to "G" indicating Graduate/Professional PLUS, and the Graduate/Professional grade level is (A-D) and the borrower information is populated.

TSAC would populate the student information fields with the borrower information, process this loan as a Graduate/Professional PLUS loan, and return the response record with the PLUS fields as they were received, but would forward the response record to the trading partner as a CommonLine compliant Graduate/Professional PLUS loan.

Scenario 3:

Process the graduate professional PLUS loan using e*CLIPS. In the circumstance where a trading partner cannot accept a CommonLine compliant Graduate/Professional PLUS loan record, TSAC can provide translation of the fields with a two-week prior notification.

If your school is interested in participating in the TSAC eSignature process, please contact the Help Desk at (877) 993-7445 or send an email to esignature@guarantec.com to have your school added to the Graduate/Professional PLUS school listing on the TSAC web site and your school link to the TSAC e-sign process updated to display the Graduate/Professional PLUS option.

For questions or for processing test files containing Graduate/Professional PLUS loans please contact the Help Desk at (800) 535-4357

Get to know the TSAC team



With over 18 years of experience in the lending business, Levis Hughes is a valuable member of the TSAC team. This Mississippi native started his student loan experience in 1988 as an accounting manager at Barnett Bank (currently known as Bank of America). He was soon promoted to the role of financial analyst. Levis later accepted a position at InTuition as the disbursement services manager when Barnett purchased a student loan servicing company which ultimately formed Guarantec and InTuition (Nelnet). His position at InTuition allowed Levis to assist with the development of Single

Source Clearing House (SSCH), in an effort to streamline the receipt of funds from lenders by creating a single disbursement register and deposit. It was through the SSCH association that Levis became involved with TSAC. He has been devoted to TSAC ever since fulfilling a variety of roles including his current position as Associate Executive Director for Loan Administration. Levis loves to dive into a good murder mystery or political intrigue novels written by a southern author. He is an experienced snow skier and loves to swim but most of all he enjoys spending time with his wife, Pat, his two stepsons, and 6 grandchildren.

Comments from Levis

Over the years of my tenure in student loans, I have become more and more grateful for schools in general and more succinctly those that have supported the efforts of TSAC and look forward to continuing that relationship for years to come. You're a great group of folks and do a tremendous job supporting the educational dreams of many, many students. The processes and methods we are all using to meet the needs of students may change, but the nature of what we do does not; I believed from the beginning and still believe that my job is to meet the needs of schools who in turn can meet the needs of their students. I'm proud to be associated with this industry and specifically TSAC.

Thought you would like to know ...

As many of you know, over the past 8 months, Tom Zminkowski has been recovering from a stroke he had during his open-heart surgery in October of 2005. In mid-June, Tom suffered a seizure and another stroke but was doing well enough to come home for his birthday on June 20th. However, Tom began running a fever and had to be taken back to the hospital only a few days later. It turns out he con-

tracted a staph infection on his first visit in mid-June. Tom's suffered another stroke in early July. However, his condition improved and he is now back home. Please keep Tom and his family in your prayers as they continue going through this difficult time. If you would like to send a card to lift Tom's spirit, please mail to:

Tom Zminkowski
508 Emily Drive
Goodlettsville, TN 37072

Bon Voyage Gary!



After five years of devoted service, we say goodbye to Gary Rogers. Gary was and integral part of TSAC's communication division assisting with financial aid presentations, college fairs and e*GRandS. He truly made a difference in numerous students' lives with his southern charm and extensive knowledge of student aid. Gary and his wife Pat will be moving back to West Thompsonville, Illinois in order to be fulltime grandparents. The departure of one of our valued staff members saddens us all but we wish Gary well in all of his new adventures.

New Additions to the TSAC's team

TSAC is happy to announce the hiring of our newest team members Micaela Brown, Jennifer Jackson, Patsy Majors and Janise Powell. Micaela Brown joined Dr. Ruble as his Executive Assistant. The Communication Services Division added Jennifer Jackson to their team as the Outreach Specialist for Web, Publications and Graphic Design. Patsy and Janise have also joined the Communication's team as Telephone Counselors. We are happy to have all of our newest members and look forward to their continued contributions.

Tennessee Default Prevention Summit Coming Soon!

The Tennessee Student Assistance Corporation is in the final planning stages for a default prevention summit to be held in Nashville this September. The focus of the summit is to bring Tennessee schools and lenders together under TSAC's leadership on this important public policy issue. Cohort default rates, characteristics of a successful default prevention plan and roundtable discussions of initiatives are just a few of the items on the agenda. After this initial kickoff meeting, a dedicated workgroup of schools, lenders and TSAC will be formed to focus on default prevention priorities that come out of the summit. Invitations will be arriving soon with additional information.

Upcoming e*GRandS/TELS Releases

There will be several e*GRandS releases in the near future to enhance the lottery scholarship program. Some of the system enhancements in the upcoming releases are:

- ▶ HOPE Access System Recoding
- ▶ Non-Traditional Student Exception
- ▶ Military Student Exception
- ▶ Enrolled Never Applied Exception
- ▶ Program Completion Indicator
- ▶ Non-Degree Seeking Indicator
- ▶ Non-Continuous Enrollment Indicator

Lottery Rules and Policy and Procedure Manual Update

TSAC will immediately begin drafting rules when the Governor has signed the new legislation from the 104 General Assembly. A team will be assembled to manage this process. As a result, the Policy & Procedure manuals will be updated and distributed to the financial aid community soon after the new TELS rules are in place.

XAP Update

Approximately 18,000 electronic transcripts have been successfully loaded to e*GRandS for the high school class of 2006. Those with errors, which number approximately 4,800, were rejected

for reasons associated with either SSN or date-of-birth mismatch. As we continue our effort to correct the data with XAP and school counselors, we invite your assistance as well so that candidates for the TELS awards move through the eligibility process as seamless as possible.

Upcoming TSAC Events

- 7/24/06 TASFAA Executive Board Meeting
- 7/25/06 TASFAA Conference Committee Meeting
- 7/26/06 Teaching Scholarship and the Professional Nursing Loan-Scholarship Rule Development Meeting
- 7/27/06 & 7/28/06 MASFAA Executive Meeting
- 8/1/06 TSAC Training for New Financial Aid Staff
- 9/28/06 TSAC Board Meeting

Tennessee Fall Educator Workshops:

- 9/20/06 Columbia State Community College
- 9/21/06 Union University
- 9/22/06 University of Memphis
- 9/26/06 East Tennessee State University
- 9/28/06 University of Tennessee, Knoxville
- 9/29/06 Tennessee Technological University
- 10/3/06 Austin Peay State University
- 10/4/06 Lee University

TFACA Conference:

- 9/15/06 - 9/17/06
The Educational Lottery "Working for Children," in Franklin, TN
- 11/18/06 - 11/21/06
Tennessee Counselors Association, in Chattanooga, TN
- 9/5/06 - 11/3/06
TACRAO College Fairs